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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

MERRILL LYNCH BUSINESS	:	
FINANCIAL SERVICES, INC.,	:	Civil Action No. 06-Civ-4802 (DMC)
	:	
Plaintiff,	:	
	:	
vs.	:	PGB INTERNATIONAL, LLC'S ANSWER
	:	TO DEFENDANT JPMORGAN CHASE BANK,
ARTHUR KUPPERMAN, E. ROSS	:	N.A.'S AMENDED CROSS-CLAIM
BROWNE, PAULETTE KRELMAN,	:	
PGB INTERNATIONAL, LLC, and	:	
JPMORGAN CHASE BANK, N.A.,	:	
	:	
Defendants,	:	
	:	
and	:	
	:	
JOHN DOES (1-10) and	:	
ABC CORPORATIONS (1-10),	:	
	:	
Additional Defendants	:	
on the Crossclaim.	:	

Defendant, PGB International, LLC ("PGB" or "Defendant"), by and through its attorneys Budd Larner, P.C., in response to the Counterclaim and Cross-Claim of defendant JPMorgan Chase Bank, N.A. ("Cross-Claim, states as follows:

Additional Defendants on Crossclaim

1. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 1 of the Cross-Claim.

2. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 2 of the Cross-Claim.

3. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 3 of the Cross-Claim.

Factual Background

A. The Loan

4. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 4 of the Cross-Claim.

5. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 5 of the Cross-Claim.

6. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 6 of the Cross-Claim.

7. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 7 of the Cross-Claim.

8. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 8 of the Cross-Claim.

9. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 9 of the Cross-Claim.

10. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 10 of the Cross-Claim.

11. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 11 of the Cross-Claim.

12. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 12 of the Cross-Claim.

13. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 13 of the Cross-Claim.

14. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 14 of the Cross-Claim.

15. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 15 of the Cross-Claim.

16. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 16 of the Cross-Claim.

17. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 17 of the Cross-Claim.

B. The Fraud

18. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 18 of the Cross-Claim.

19. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 19 of the Cross-Claim.

20. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 20 of the Cross-Claim.

21. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in 21 of the Cross-Claim.

22. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 22 of the Cross-Claim.

23. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 23 of the Cross-Claim.

24. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 24 of the Cross-Claim.

25. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 25 of the Cross-Claim.

26. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 26 of the Cross-Claim.

27. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 27 of the Cross-Claim.

28. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 28 of the Cross-Claim.

29. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 29 of the Cross-Claim.

30. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 30 of the Cross-Claim.

31. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 31 of the Cross-Claim.

32. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 32 of the Cross-Claim.

33. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 33 of the Cross-Claim.

34. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 34 of the Cross-Claim.

35. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 35 of the Cross-Claim.

36. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 36 of the Cross-Claim.

C. The Transfers to IFIG

37. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 37 of the Cross-Claim.

38. Defendant PGB denies the allegations set forth in paragraph 38 of the Cross-Claim.

39. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 39 of the Cross-Claim.

40. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 40 of the Cross-Claim.

41. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 41 of the Cross-Claim.

42. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 42 of the Cross-Claim.

FIRST COUNT

(Breach of Contract against PGB, Brown and Krelman)

43. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

44. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 44 of the Cross-Claim.

45. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 45 of the Cross-Claim.

46. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 46 of the Cross-Claim.

SECOND COUNT

**(Breach of Covenant of Good
Faith and Fair Dealing)**

47. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

48. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 48 of the Cross-Claim.

49. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 49 of the Cross-Claim.

50. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 50 of the Cross-Claim.

THIRD COUNT

**(Fraud against PGB, Kupperman, Browne, Krelman,
John Does (1-10) and ABC Corporation (1-10))**

51. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

52. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 52 of the Cross-Claim.

53. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 53 of the Cross-Claim.

54. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 54 of the Cross-Claim.

55. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 55 of the Cross-Claim.

56. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 56 of the Cross-Claim.

57. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 57 of the Cross-Claim.

FOURTH COUNT
(Foreclosure of Security Interest)

58. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

59. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 59 of the Cross-Claim.

60. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 60 of the Cross-Claim.

61. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 61 of the Cross-Claim.

62. Defendant PGB denies the allegations set forth in paragraph 62 of the Cross-Claim.

63. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 63 of the Cross-Claim.

FIFTH COUNT
(Fraudulent Conveyance)

64. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

65. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 65 of the Cross-Claim.

66. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 66 of the Cross-Claim.

67. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 67 of the Cross-Claim.

68. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 68 of the Cross-Claim.

69. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 69 of the Cross-Claim.

70. Defendant PGB denies the allegations set forth in paragraph 70 of the Cross-Claim.

71. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 71 of the Cross-Claim.

72. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 72 of the Cross-Claim.

SIXTH COUNT
(Unjust Enrichment)

73. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

74. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 74 of the Cross-Claim.

75. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 75 of the Cross-Claim.

76. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 76 of the Cross-Claim.

SEVENTH COUNT
(Piercing the Corporate Veil)

77. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

78. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 78 of the Cross-Claim.

79. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 79 of the Cross-Claim.

80. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 80 of the Cross-Claim.

81. Defendant PGB denies the allegations set forth in paragraph 81 of the Cross-Claim.

82. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 82 of the Cross-Claim.

83. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 83 of the Cross-Claim.

EIGHTH COUNT
(Preliminary and Permanent Injunctive Relief)

84. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

85. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 85 of the Cross-Claim.

86. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 86 of the Cross-Claim.

87. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 87 of the Cross-Claim.

88. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 88 of the Cross-Claim.

NINTH COUNT
(Attachment)

89. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

90. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 90 of the Cross-Claim.

91. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 91 of the Cross-Claim.

92. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 92 of the Cross-Claim.

93. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 93 of the Cross-Claim.

94. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 94 of the Cross-Claim.

TENTH COUNT
(RICO)

95. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

96. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 96 of the Cross-Claim.

97. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 97 of the Cross-Claim.

98. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 98 of the Cross-Claim.

99. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 99 of the Cross-Claim.

100. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 100 of the Cross-Claim.

101. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 101 of the Cross-Claim.

102. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 102 of the Cross-Claim.

103. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 103 of the Cross-Claim.

104. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 104 of the Cross-Claim.

105. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 105 of the Cross-Claim.

106. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 106 of the Cross-Claim.

107. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 107 of the Cross-Claim.

108. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 108 of the Cross-Claim.

109. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 109 of the Cross-Claim

ELEVENTH COUNT
(New Jersey RICO)

110. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

111. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 111 of the Cross-Claim.

112. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 112 of the Cross-Claim.

113. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 113 of the Cross-Claim.

114. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 114 of the Cross-Claim.

TWELFTH COUNT
(Contempt)

115. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

116. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 116 of the Cross-Claim.

117. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 117 of the Cross-Claim.

118. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 118 of the Cross-Claim.

119. Defendant PGB denies the allegations set forth in paragraph 119 of the Cross-Claim.

120. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 120 of the Cross-Claim.

121. Defendant PGB leaves Chase to its proofs regarding the allegations set forth in paragraph 121 of the Cross-Claim.

WHEREFORE, Defendant PGB International, LLC demands judgment:

- A. Dismissing the Cross-Claim with prejudice;
- B. For the costs of suit, including attorneys' fees, incurred herein; and
- C. For such other and further relief as the Court deems just and proper.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Chase has failed to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

Chase is barred from recovery by the doctrine of laches.

THIRD AFFIRMATIVE DEFENSE

This action is barred by the statute of limitations.

FOURTH AFFIRMATIVE DEFENSE

Chase is barred from recovery by the doctrine of equitable estoppel.

FIFTH AFFIRMATIVE DEFENSE

Chase is barred from recovery due to its failure to perform due diligence properly.

SIXTH AFFIRMATIVE DEFENSE

Defendant PGB incorporates herein any defenses raised by his co-defendants as may be applicable to him.

DEMAND FOR JURY TRIAL

Defendant Kupperman hereby demands a trial by jury.

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